



Ohio

BUDGETING EXPENSES AND REQUIRED SUPPORT DOCUMENTATION

April 2021

Revised

Introduction

One of the steps grantees must complete before receiving grant funds from the Ohio Department of Education is to submit an application/budget for approval. The budget outlines how funds will be expended by reporting estimated expense amounts in object and purpose/function code categories. This document provides budgeting and coding of expenditure guidance based on a required numerical accounting system as outlined in the [Uniform School Accounting System \(USAS\)](#). Additionally, this document outlines the type of documentation grantees are required to maintain to support grant expenditures.

When preparing the budget, grantees must determine the proper combination of dimensions (different sets of codes, each of which supplies different elements of information). By selecting the most appropriate code within each required dimension, each financial transaction for the grantee will be adequately identified. The use of certain dimensions to identify each type of financial transaction is the responsibility of the grantees treasurer/fiscal representative. The determination should consider the informational needs of the grantee, the Ohio Department of Education, and other regulatory agencies. For various reasons, certain financial transactions should be coded in more detail than others. Object and purpose/function codes are assigned by the Auditor of State.

After the application/budget is approved, grantees submit requests for reimbursement of expenditures using Project Cash Requests (PCRs) and Final Expenditure Reports (FERs). PCRs and FERs are subject to review and reported expenditures must be supported with sufficient evidential documentation. Grantees must submit documentation upon request by the Department. Expenditures without proper support documentation are unallowable. **In addition to the documents outlined below, a year-to-date detailed (transaction level) financial report is required to be maintained for each grant separately.**

Grantees are required to maintain records for 3 years following completion of the activities.

Definitions

Object

Object Codes are used to identify expenditures for goods and services. Object codes include salaries (object 100), employer paid fringe and retirement (object 200), purchased services (object 400), supplies (object 500), capital outlay (object 600) and other and indirect costs (object 800).

Purpose (Function)

Purpose Codes are a broad area of activity codes into which expenditures can be classified in the CCIP (Continuous Comprehensive Improvement System) budget. These codes describe the activity a person performs or the purpose for which an expenditure is made. They include the activities or services which are performed to accomplish the objectives of the grantee. These classifications assist the grantee and the department by providing the capability of comparing costs through the setting up of ratios or measures for estimation and projection.

Purpose codes are also referred to as function codes which are defined in the USAS manual. The USAS manual is very detailed and is written mainly for traditional school districts (grantees). As a result, some of the CCIP budget purpose codes are not easily correlated to the USAS manual and the function definitions provided within. This guidance attempts to bring the two together at a broad level and is aimed at assisting smaller entities remain compliant with USAS without having to navigate the voluminous USAS manual.

Sample CCIP Budget

Budget

Go to

U.S.A.S. Fund #:
Plus/Minus Sheet (opens new window)

Purpose Code	Object Code	Salaries 100	Retirement Fringe Benefits 200	Purchased Services 400	Supplies 500	Capital Outlay 600	Other 800	Total
Instruction		1,377,666.28	614,766.16	35,000.00	0.00	0.00	0.00	2,027,432.44
Support Services		40,689.00	13,236.96	3,400.00	0.00	0.00	0.00	57,415.96
Governance/Admin		50,701.00	33,847.02	0.00	0.00	0.00	0.00	84,548.02
Prof Development		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Family/Community		0.00	0.00	0.00	50,300.42	0.00	0.00	50,300.42
Safety		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nonpublic		0.00	0.00	88,274.32	891.66	0.00	0.00	89,165.98
Indirect Cost							25,859.26	25,859.26
Total		1,469,056.28	661,850.14	126,764.32	51,192.08	0.00	25,859.26	2,334,722.08
Adjusted Allocation								2,334,722.08
Remaining								0.00

Object - Details

If more detailed information is necessary to ensure proper coding, grantees should refer to the USAS manual or contact your program office / grants management consultant.

Object Code	<p style="text-align: center;"><u>USAS</u> Object Description</p> <p style="font-size: small;">This document provides a summary description only. See the USAS manual for additional information.</p>	Type of Required Documentation *
<p>Salaries (Object 100)</p>	<p>Gross salaries for employees that are on the payroll.</p> <p>Object 100 expenses include: a) Salary expenses for employees who receive IRS form W2.</p> <p>Object 100 expenses do NOT include: a) Gross salary for independent contractors who receive form 1099- Misc. Code this type of expense to object 400.</p>	<p>a) Payroll Journal / Earnings Report</p> <p>b) Employment Contracts (signed by both parties with deliverables and payment terms)</p> <p>c) Time and Effort (Federal Grants Only)</p> <p>d) Proof of payment (cancelled check made payable to employee, bank statements, etc.)</p>
<p>Retirement/ Fringe (Object 200)</p>	<p>Amounts paid by the grantee (employer) on behalf of employees and not included in the gross salary.</p> <p>Object 200 expenses include: Employer's portion of payroll taxes, workers compensation, retirement, tuition reimbursement paid directly to employee, etc.)</p> <p>Object 200 expenses do NOT include: Payroll tax that is part of gross salary. Code this expense to object 100.</p>	<p>a) Invoices received from vendor</p> <p>b) Proof of payment (cancelled check, credit card statements, bank statements, etc.)</p>
<p>Purchased Services (Object 400)</p>	<p>Amounts paid for personal services rendered by personnel who are not on the payroll. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided to obtain the desired results.</p> <p>Example: You hire a caterer – the food purchased by caterer and their service should be coded here.</p> <p>Object 400 expenses include: Gross salary for independent contractors who receive form 1099-Misc., tuition paid directly to a school on behalf of an employee, travel/mileage and direct amounts for postage, utilities, rent, etc.</p> <p>Object 400 expenses do NOT include: Food that is purchased by the grantee. These items do not provide a service; therefore, you are not purchasing a service. If allowable by the grant, code this expense to object 500.</p> <p><i>Note: Grantees must adhere to their established procurement policy which must agree with or be more stringent than federal requirements.</i></p>	<p>a) Quotes, if applicable</p> <p>b) Purchase order</p> <p>c) Contract (signed by both parties with deliverables and payment terms)</p> <p>d) Invoices received from vendor</p> <p>e) Proof of payment (cancelled check made payable to vendor, credit card statements, bank statements, etc.)</p> <p>f) Bids, if applicable</p>

Object Code	<p align="center">USAS Object Description</p> <p>This document provides a summary description only. See the USAS manual for additional information.</p>	Type of Required Documentation*
<p>Supplies (Object 500)</p>	<p>Amounts paid for material items of an expendable nature that are consumed, worn out, or deteriorated from use, or items that lose their identity through fabrication or incorporation into different or more complex units or substances.</p> <p>Object 500 expenses include: Computers costing less than \$5000 per unit, food purchased by the grantee (if allowable)</p> <p><i>Note: Grantees must adhere to their established inventory policy which must agree with or be more stringent than federal requirements.</i></p>	<p>a) Quotes, if applicable b) Purchase order c) Invoices received from vendor d) Proof of payment (cancelled check made payable to vendor)</p>
<p>Capital Outlay (Object 600)</p>	<p>Expenditures for the acquisition of, or additions to, fixed assets.</p> <p>Object 600 expenses include: Expenditures for land or existing buildings; improvements of grounds; construction of buildings; additions to buildings; remodeling of buildings; initial and additional equipment, furnishings, and vehicles.</p> <p><i>Note: Grantees must adhere to their established inventory policy which must agree with or be more stringent than federal requirements.</i></p>	<p>a) Quotes, if applicable b) Purchase order c) Contract (signed by both parties with deliverables and payment terms), if applicable d) Invoices received from vendor e) Proof of payment (cancelled check made payable to vendor, credit card statements, bank statements, etc.)</p>
<p>Other (Object 800)</p> <p>Indirect Costs</p>	<p>Amounts paid for goods and services not otherwise classified above.</p> <p>Object 800 expenses include: Expenditures for the retirement of debt, the payment of interest on debt and the payment of dues and fees, if allowable by the grant.</p> <p>Indirect costs (administrative costs that cannot be tracked directly to grant) should also be coded to this object. For federal grants, an approved rate is required. State grants are based on grant allowability and require program office approval. Additional information on indirect costs can be found on the department's website.</p>	<p>a) Contract (signed by both parties with deliverables and payment terms), if applicable b) Invoices received from vendor c) Proof of payment (cancelled check made payable to vendor, credit card statements, bank statements, etc.) d) For federal grants, an indirect cost rate proposal (ICRP) must be submitted and approved annually by the Ohio Department of Education.</p>

*This is the minimum amount of supporting documentation required. Additional documentation may be necessary during the review.

Purpose (Function) Details

If more detailed information is necessary to ensure proper coding, grantees should refer to the USAS manual or contact your program office / grants management consultant.

Purpose/ Function Code	<u>USAS</u> Purpose (Function) Description	Activity Examples
<p><i>Instruction</i> <i>(Function 1000)</i></p>	<p>Includes of activities directly dealing with the teaching of pupils or the interaction between teacher and pupil. Teaching may be provided for pupils in a school, in a classroom, in another location, such as in a home or hospital, and through other approved media such as television, radio, telephone and correspondence. Includes aides or classroom assistants of any type who assist in the instructional process. Technology used by students in the classroom or technology that has a student-instruction focus should also be coded here.</p>	<p>These are examples only. Not all grants allow for each activity. Consult with the grants program contact for allowable costs.</p> <p>Instructional activities designed primarily to prepare pupils for the activities as citizens, family members, and workers, and are contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps.</p> <p>Instructional activities designed primarily to deal with pupil exceptionalities. The special instruction service areas include Pre-primary, Elementary, and Secondary services for the: (1) academically gifted; (2) handicapped; (3) culturally different; (4) disadvantaged; and (5) other special.</p>
<p><i>Supporting Services</i> <i>(Function 2000)</i></p>	<p>Services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services. Supporting services exist as adjuncts for the fulfillment of the objectives of instruction, rather than as entities within themselves.</p>	<p>Those activities of counseling with pupils and parents, providing consultation with other staff numbers on learning problems, evaluating the abilities of pupils, assisting pupils to make their own educational and career plans and choices, assisting pupils in personal and social development, providing referral assistance, and working with other staff members in planning and conducting guidance programs for pupils.</p> <p>Activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.</p>

Purpose (Function) Code	<p style="text-align: center;"><u>USAS</u> Purpose (Function) Description</p> <p style="text-align: center;">This document provides a summary description only. See the USAS manual beginning on page 85 for additional information.</p>	Activity Examples
<i>Governance/ Administration (Function 2400)</i>	Activities concerned with overall administrative responsibility for a single school, a group of schools, the entire district.	<p>The activities performed by the superintendent and such assistants as deputy, associate, and assistant superintendents, in general direction and management of all affairs of the entity, including all personnel and materials in the office of the chief executive officer.</p> <p>Those activities concerned with the financial operations of the grantee. This function includes budgeting, receiving, and disbursing, financial accounting, payroll, inventory control, auditing, and fiscal services rendered by persons in the treasurer's office.</p>
<i>Professional Development (Function 2213)</i>	Activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff during their service to the school district or school.	Trainings, certification, conferences, Workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves are among those activities. training, certification, and conferences
<i>Family/ Community (Function 2176)</i>	Activities associated with the coordination of school services with families and community organizations.	These costs benefit or promote Family and Community programs and projects.
<i>Safety (Function 2760)</i>	Costs that are necessary and reasonable expenses incurred for protection and security of facilities, personnel, and work products.	Those activities concerned with always maintaining order and safety in school buildings, on the grounds and in the vicinity of schools. Included are police activities for school functions and traffic control.

Purpose (Function) Code	<p style="text-align: center;"><u>USAS</u> Purpose (Function) Description</p> <p style="text-align: center;">This document provides a summary description only. See the USAS manual beginning on page 85 for additional information.</p>	Activity Examples
Transportation (Function 2800)	Activities concerned with the conveyance of individuals to and from school, as provided by state law. It includes transportation to school activities and between home and school.	Activities include directing and managing pupil transportation services, vehicle operation services, monitoring services, vehicle and maintenance and activities involved with the outlay of capital for the purchasing of pupil transportation vehicles (if allowable).
Nonpublic (Function 3260)	Services to pupils attending a school established by an agency other than the state, subdivision of the state or the federal government, which usually is supported primarily by sources other than public funds.	The services consist of such activities as those involved in providing instructional services and transportation services for non-public school pupils.
Facilities (Function 5000)	Costs associated to land and buildings, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the non-Federal entity.	Activities concerned with initially acquiring and improving new sites, maintaining existing site improvements, architects and engineering services, educational specifications development services, building acquisition, construction and building services.
Indirect Costs	Expenses associated with the cost of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.	Expenditures related to fiscal operations, human resources, maintenance of plant services and other general administrative and business support offices.